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RWANDA PRIVATE SECTOR DRIVEN AGRICULTURAL GROWTH (PSDAG) PROJECT

FISCAL YEAR (FY) 2015 QUARTERLY PROGRESS REPORT:
JANUARY 1, 2015 – MARCH 31, 2015



April 2015

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COVER PHOTO: Post-harvest handling training of maize farmers, members of COAMANYA cooperative at Munyinya, Busoro sector in Nyanza district.

DISCLAIMER

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ACRONYMS

| Acronym | Definition |
|-------------------|--|
| BRD | <i>Banque Rwandaise de Developement</i> |
| BPR | <i>Banque Populaire du Rwanda</i> |
| COP | Chief of Party |
| COR | Contract Officer's Representative |
| CN | Consolidation Network |
| EAX | East Africa Exchange |
| FECOPPORWA | <i>Federation des Cooperatives des Agriculteurs de la Pomme de Terre au Rwanda</i> |
| FUCORIRWA | <i>Federation des Unions des Cooperatives Rizicoles due Rwanda</i> |
| FY | Fiscal Year |
| GAP | Good Agricultural Practices |
| GIS | Geographic Information Systems |
| GoR | Government of Rwanda |
| IDEC | Industrial Development Export Council |
| IEE | Initial Environmental Examination |
| ISU | Investment Support Unit |
| IPAR | Institute of Policy Analysis and Research |
| IRG | International Resources Group |
| LSP | Local Service Provider |
| M&E | Monitoring and Evaluation |
| MEAL | Monitoring, Evaluation and Learning |
| MINAGRI | Ministry of Agriculture and Animal Resources |
| MIS | Management Information System |
| NAEB | National Agriculture Export Board |
| PERSUAP | Pesticide Evaluation Review and Safe Use Action Plan |
| PHH | Post-Harvest Handling |
| PPD | Public-Private Dialogue |
| PSDAG | Private Sector Driven Agricultural Growth |

| | |
|-----------------|--|
| PSF | Private Sector Federation |
| PSTA III | Plan for the Transformation of Agriculture in Rwanda III |
| RAB | Rwanda Agriculture Board |
| RDB | Rwanda Development Board |
| RCA | Rwanda Cooperative Agency |
| SPIDS | Senior Policy/Institutional Development Specialist |
| STTA | Short-Term Technical Assistance |
| TOR | Terms of Reference |
| USAID | United States Agency for International Development |

I. PROJECT PERFORMANCE

I.1. SUMMARY OF PROJECT RESULTS

Under Objective 1, no Q2 targets were set for project results indicators. However, several foundational activities were initiated and are underway. They include discussions with relevant stakeholders including MINAGRI, RDB, PSF, NAEB, RAB) to create consensus on need, and approach of implementing project activities related to establishing agriculture investment framework structure, identifying defining roles and responsibilities of public entities, support to launch of PSTA III and support to PSF. An important achievement in the quarter was supporting MINAGRI to establish an Investment Support Unit, where PSDAG Embedded Investment Advisor continues to provide technical assistance.

Under Objective 2, the project exceeded its targets for the number of farmers trained and number of members of producer organization receiving USG assistance. Under value of new private sector investment leveraged, number of hectares under improved technologies and the application of new technologies the project is reporting lower results; however the impact of the post-harvest training has not been captured in terms of adoption.

- The first set of grants was issued to 23 cooperatives out of 49 applications reviewed for training in PHH practices.
- 21,143 farmers, of which 9,237 were women and 11,820 were men, received training in PHH techniques to reduce losses in Season A maize. These trainings were completed in partnership with cooperative grantees;
- 16 cooperative grantees received 10,867 tarpaulins and 23 shellers, and applied improved postharvest technologies as a result;
- In support of its efforts to provide business developments services to MSMEs and to leverage private sector investment, the project met with many private sector potential partners to discuss areas for collaboration detailed in Section 2.2.2.

I.2. PROGRESS AGAINST WORK PLAN COMMITMENTS

I.2.1. OBJECTIVE I: ASSIST THE GOR TO INCREASE PRIVATE SECTOR INVESTMENT

I.2.1.1. INTERMEDIATE RESULT I.1: ESTABLISH AN INVESTMENT FRAMEWORK

TASK I: FINALIZE OBJECTIVE I ENGAGEMENT STRATEGY

PSDAG initiated discussions with the project's main government and private sector stakeholders (Ministry of State for Agriculture and Natural Resources - MINAGRI, Rwanda Development Board - RDB, National Agriculture Export Board - NAEB, Private Sector Federation - PSF), to solicit ideas to inform the drafting of Objective 1 engagement strategy.

TASK 2: EMBED INVESTMENT ADVISORS IN RDB AND MINAGRI

PSDAG's Embedded Investment Advisor at the Investment Support Unit (ISU) at MINAGRI worked under the draft Terms of Reference (TOR), which were shared in Quarter 2 with MINAGRI for approval. During these first months at MINAGRI, the Advisor has played a key role in establishing the ISU, which is a new unit that will facilitate private sector investment in agriculture. ISU will facilitate and provide support services for the private sector to increase investment in the agriculture sector and will play a unique role in providing private sector feedback to the government.

In Quarter 2, the project worked closely with RDB leader and MINAGRI to build consensus around the need for, and roles and responsibilities of, this position. PSDAG has started identifying and recruiting a suitable candidate to be embedded at RDB given this achievement.

TASK 3: AGRICULTURE INVESTMENT FRAMEWORK STRUCTURE

Based on its continual dialogue with MINAGRI and USAID, the project has made significant progress toward a shared understanding of what the Investment Framework will include and the process by which it will be achieved. Consultations with stakeholders (including RDB, MINAGRI, NAEB and PSF) identified priority action points to support the refinement of an Investment Framework structure. These priority action points include the need for a TOR for embedded advisor at RDB, identification of PSDAG focal person at RDB, and preparation of a concept note for stakeholder dialogue meetings on the investment framework. These action points are being addressed, and at various stages of implementation.

The PSDAG embedded advisor continued to work with Ministry staff and advisors to support the roll out of the ISU at MINAGRI. The Embedded Investment Advisor provided technical assistance in preparation of a concept note and TOR for this unit. These TOR were validated during the Agriculture Sector Working Group in March.

A Memorandum of Understanding (MoU) has been signed between PSDAG and the Institute of Policy and Research (IPAR) under which IPAR would review policies relating to investment promotion in the agribusiness sector. So far, TORs have been prepared for IPAR to conduct a study on airfreight competitiveness in Rwanda. This study is expected to be conducted in Quarter 3.

TASK 4: FACILITATE LAUNCH OF PSTA III RESULTS FRAMEWORK

PSDAG staff participated in the planning and launch of the validation workshop of PSTA III results framework. Discussions have been initiated with MINAGRI to identify the precise areas of PSDAG support in PSTA III awareness campaigns. In collaboration with MINAGRI, a gap analysis of PSTA III investment framework; and development of an action plan to close the gaps is underway.

TASK 5: ASSIST WITH THE REFINEMENT AND EXTERNAL COMMUNICATION OF THE INVESTMENT FRAMEWORK

There are no activities initiated under this activity, which is contingent on Task 3, the development of an Agricultural Investment Framework, which has not been completed.

TASK 6: FACILITATE INCORPORATION OF INVESTMENT FRAMEWORK INTO IMPLEMENTATION PLANS AND GUIDELINES

This task is contingent on the existence of an engagement strategy and a structured investment framework. Therefore, activities under this task have not yet commenced.

TASK 7: ASSIST IN THE REVISION OF INVESTMENT ROADMAP AND COMPLEMENTARY PRODUCTS

TOR for an expert consultant was finalized for an STTA to review the investment roadmap and make it user friendly for private sector investors and public institutions.

TASK 8: BENCHMARK RWANDA'S INVESTMENT FRAMEWORK WITH BEST PRACTICE

Task not yet implemented as it is based on the completion of Task 3.

1.2.1.2. INTERMEDIATE RESULT 1.2: IDENTIFY AND DEFINE ROLES AND RESPONSIBILITIES OF PUBLIC ENTITIES

TASK 1: IDENTIFY AND DEFINE ROLES AND RESPONSIBILITIES OF PUBLIC ENTITIES

The project made initial progress in collaboration with public entities (MINAGRI, RDB, PSF, Rwanda Cooperative Agency - RCA and NAEB) on the precise roles and responsibilities of these entities with regard to promoting investment in agriculture. The SPIDS is the primary point of contact in PSDAG for this task; however, in their absence, other team members have continued to engage these stakeholders and will be supported by a STTA by an expert Policy Advisor in Quarter 3.

TASK 2: DEVELOP PERFORMANCE METRICS AND WORK PLANNING FOR INVESTMENT FRAMEWORK IMPLEMENTATION

No activities have been implemented under this task, which is contingent on Task 3, the investment framework.

TASK 5: SIMPLIFICATION OF POLICIES, LAWS, REGULATIONS AND GUIDELINES

An STTA has been hired to conduct a review of the tax incentive regime structure in Rwanda, and compare it to regional countries. The consultant identified is available in May to complete this STTA.

Based on feedback from private sector stakeholders and government partners, PSDAG will work with IPAR to conduct a study on airfreight costs, taxes and competitiveness in Rwanda, as discussed under Intermediate result 1.1, Task 3. This study will be used to inform PSDAG's work on simplifying policies, laws, regulations and guidelines related to export of agricultural commodities and products.

1.2.1.3. INTERMEDIATE RESULT 1.3: STRENGTHEN CAPACITY OF RELEVANT PUBLIC ENTITIES

TASK 1: INSTITUTIONAL M&E STRENGTHENING

In Quarter 2, PSDAG initiated discussions with MINAGRI on M&E strengthening. However, the development of a Management Information System (MIS) for MINAGRI has been funded by the European Union and so the project will not directly fund the majority of this activity. The MIS will be used by other agencies such as RAB, NAEB and districts. PSDAG M&E Specialist provided input to the European Union TOR and contributed to the inception report for the development of MINAGRI MIS. PSDAG will wait for finalization of MINAGRI MIS and capacity assessment findings of public entities, to establish need for, and nature of required M&E strengthening.

TASK 2: IFMS REPORT DEVELOPMENT FOR POLICY ADJUSTMENT

Task is related on existence of an Investment Framework, a key deliverable of Task 3 under intermediate result 1.1. Like, Task 1 above, PSDAG will wait for finalization of MINAGRI MIS, which is under development.

TASK 3: POLICY PERFORMANCE TARGETS INCORPORATE ROBUST DATA AND ANALYSIS

Task contingent on Task 2 above.

TASK 4: WORKING WITH INVESTOR COMMUNITY, GOR ADOPTS REGULATORY COST COMPLIANCE INDICATORS

Activities under this task delayed until a new SPIDS is on board; recruitment is active.

TASK 5: POLICY REFORMS EFFECTIVELY TARGET COSTS AND RISK INVESTING

By the end of Quarter 2, the project had planned to have identified key areas for policy reform and this task is delayed somewhat due to staff changes. To ensure support this activity in Quarter 3, PSDAG has designed an STTA to undertake a study on effective means of reducing costs and risks in investing in agriculture sector in Rwanda.

TASK 6: PARTICIPATORY ASSESSMENT OF ORGANIZATIONAL CAPACITY BUILDING NEEDS

Consensus established with NAEB, MINAGRI and PSF/Chamber of Agriculture, on the need for a more structured working relationship. To this end, PSDAG plans to conduct a comprehensive needs assessment to identify specific capacity building needs for the three main PSDAG public stakeholders and up to 20 smaller local authorities.

TASK 7: IMPLEMENT CAPACITY BUILDING NEEDS

Embedded Investment Advisor at MINAGRI continues to provide technical assistance to newly established ISU. Capacity building needs assessment (Task 6) findings will inform a structured implementation of capacity building needs of supported state agencies.

TASK 8: EVALUATE EFFECTIVENESS OF CAPACITY BUILDING ACTIVITIES

Task 8 is contingent on implementation of Tasks 6 and 7. No activities were implemented during this reporting period.

1.2.1.4. INTERMEDIATE RESULT 1.4: ENHANCE THE ABILITY OF GOVERNMENT AND BUSINESS TO PRODUCTIVELY ENGAGE EACH OTHER

TASK 1: ENGAGE PRIVATE SECTOR IN WORKING GROUPS

Ongoing engagement with various public-private sector working groups/platforms and formal institutions is underway, particularly with PSF and its chambers. PSDAG participated in sector and sub-sector working groups and other relevant fora such as Industrial Development Export Council (IDEC). PSDAG receives critical information from these meetings that will inform its work within and in partnership with, both public and private stakeholders.

TASK 2: IDENTIFY PRIORITIES AND INITIATE PARTICIPATORY PRIVATE-SECTOR FEEDBACK MECHANISMS

Activities under this task have not yet been initiated.

TASK 3: ESTABLISH REGULAR MECHANISMS FOR PUBLIC-PRIVATE ENGAGEMENT

Public-Private Dialogues (PPDs) were initiated in 2013 but were stalled but there exists an opportunity for PSDAG to support the revival of PDD meetings. There is general consensus between MINAGRI, PSF and RDB on the need for PPDs and there is now renewed commitment by PSF and RDB to move this process forward. PSDAG has discussed mechanisms with these partners for strengthening PPD

initiatives. However, current discussion focus on defining the roles of the different partners (MINAGRI, PSF, development projects) in supporting PPD mechanisms and coming to a consensus.

I.2.2.OBJECTIVE 2: FACILITATE INCREASED PRIVATE SECTOR INVESTMENT IN UPGRADING AGRICULTURAL VALUE CHAINS

I.2.2.1. INTERMEDIATE RESULT 2.1: IDENTIFY MARKET OPPORTUNITIES AND LINK VC ACTORS TO OPPORTUNITIES

ACTIVITY 1: WORKING WITH MAIZE COOPERATIVES ON POST-HARVEST TRAININGS AND PRODUCTION CONTRACTS

Post-Harvest Handling activities were implemented with 23 selected maize cooperatives to reduce post-harvest losses for maize in season A of 2015. Refer to Annex IV for a list of supported cooperatives.

PSDAG project contracted eight Local Service Providers (LSPs) to conduct PHH trainings for 21 cooperatives in nine districts (Kirehe, Ngoma, Nyagatare, Rwamagana, Gisagara, Nyanza, Burera, Gakenye, and Kamonyi). PHH trainings were conducted to impart farmers with basic practical information and techniques of reducing post-harvest losses. A total of 21,143 farmers (11,868 Males, 9,275 Females) farmers were trained by all the eight LSPs in a period of 10 days.



Using a granting mechanism, PSDAG distributed 10,867 tarpaulins to 16 cooperatives financed on 50%-50% cost-sharing basis between the cooperative and PSDAG project. An estimated 15,394 farmers will benefit from the use of these tarpaulins and the reduction in post-harvest losses. The distribution list of tarpaulins to cooperatives is presented as Annex V.



Photo 1: Distribution of tarpaulins to Kotuka cooperatives in Nyagatare District, February 2015

Photo 2: PHH training of farmers (members of COVMB Cooperative) in Burera District on February 20, 2015

PSDAG also facilitated the purchase of 23 diesel-operated shellers to 16 cooperatives, providing cost-share for 18 of the shellers. The shellers significantly reduced post-harvest losses and many of the farmers were introduced to this technology for the first time.



Photo 3: Demonstration of sheller distributed to Kotuka cooperative in Nyagatare on February 18, 2015

Please see Annex VI for a detailed list of the support provided to the 23 partner cooperatives.

ACTIVITY 2: DEVELOP A SOLAR BUBBLE DRYER SYSTEM WITH MAIZE COOPERATIVES

In Quarter 2, PSDAG initiated discussions with two private companies (AGROTECH and GRAIN PRO) on the possible establishment of a partnership to increase availability of solar bubble drying technologies at affordable costs on the local market. Currently farmers do not invest in solar bubble dryer technology as it is not on the market. However, the technology's ability to reduce post-harvest losses using solar energy may be an appropriate technology in humid areas like Rwanda. These companies will be invited to submit a concept note to fund a pilot once the Agricultural Value Chain strategy for maize is completed in Quarter 3, identifying the key upgrades within this value chain.

ACTIVITY 3: DEVELOPMENT, WITH POTATO COOPERATIVES, IMPROVED FINANCING STORAGE TECHNIQUES

Discussions conducted with *Federation des Cooperatives des Agriculteurs de la Pomme de Terre au Rwanda* (FECOPPORWA) and sensitization meetings conducted with potato farmer cooperatives' leaders in Gicumbi, Burera, Musanze, Nyabihu and Rubavu districts. The project is developing an internal concept note to guide the scope and nature of support to cooperatives in potato storage investments (seeds and ware) based on the identified potato value chain upgrade strategies.

ACTIVITY 4: DEVELOPMENT OF SEED POTATO PRODUCTION CAPACITY WITH PRIVATE SECTOR

PSDAG has initiated discussions with INES Ltd and FECOPPORWA, who have identified a need to link the potato seed producers' platform within FECOPPORWA to INES Ltd under a business relationship. This partnership could facilitate supply of vitro plantlets to greenhouses operators for mini-tuber production, and address supply problems faced by RAB 2015. This suggestion has received positive response from RAB.

PSDAG is also in discussions with another company, Hinga Volvano Seed Company, which has been identified as a potential investor in potato seed production, through organized farmer groups.

ACTIVITY 5: WORK WITH LUCKY RICE AND SELECTED COOPERATIVES ON IMPROVED POST-HARVEST HANDLING AND PADDY RICE

PSDAG held discussions with Federation des Unions des Cooperatives Rizicoles du Rwanda (FUCORIRWA) and conducted field visits to newly established rice cooperatives in Nyagatare, Bugesera and Nyamasheke districts. FUCORIRWA has submitted a project proposal to PSDAG, requesting capacity building support for its newly established members.

ACTIVITY 6: FACILITATE INVESTORS/COOPERATIVES TO PURCHASE BEAN SORTING MACHINES

The project has determined that additional analysis on price differentials between mixed and single sorted beans, as well as an analysis of the cost of sorting equipment and related services, is required before deciding what investments are cost competitive and long term sustainable under these activities.

I.2.2.2. INTERMEDIATE RESULT 2.2: STRENGTHEN VERTICAL AND HORIZONTAL VC LINKAGES AND BUILD CAPACITY

ACTIVITY 1: WORK TO DEVELOP REPORTING SYSTEMS /DATA UNDERSTANDING WITH MAIZE COOPERATIVES

PSDAG is developing an electronic data collection and reporting system, which will be rolled out in cooperatives supported by the project. This electronic system is expected to be ready before end of May, and rolled out beginning June, alongside recruitment of enumerators for supported cooperatives.

ACTIVITY 2: TRIALING FARMBOOK ON POTATO CROP MANAGEMENT

An initial selection of farmer cooperatives has been identified for trialing Farmbook in Musanze, Nyabibu, Rubavu and Burera districts. Sensitization meetings of identified cooperatives have been conducted and consensus has been created on roll out mechanisms. To prepare for the rollout of Farmbook, 3 field managers have been recruited and plans are in place to procure tablets for data collection and the selection of field agents (who have completed FAO's Farmers Field School approach), have been initiated. Orientation training for selected field managers and field agents will be conducted Quarter 3.

I.2.2.3. INTERMEDIATE RESULT 2.3: STRENGTHEN INPUT SUPPLY AND OTHER SUPPORTING SERVICES

ACTIVITY 1: DEVELOP DEMONSTRATION OF NEW VARIETIES OF TOMATO AND ONION ON IRRIGATED LAND

PSDAG Horticulture Specialist engaged RAB and private sector companies, such as ProxiFresh, Gashora Farming Estates, with the aim of creating consensus on how to implement this activity. So far, RAB has provided a list of marshlands (developed and underdeveloped) that are earmarked for horticulture and high value chains. PSDAG is suggesting a joint consultative meeting (RAB, PSDAG, cooperatives, seed companies, agro-dealers) to define roles and responsibilities and the way forward with regards to developing demonstration of new varieties of tomato and onion on irrigated land.

In addition, consultations were held with Kamonyi district officials (Vice Mayor Economic Affairs) to initiate business partnership between ProxiFresh (a private company) and vegetable growers under an out-growers scheme. Under this partnership, the District authorities are expected to avail marshlands for piloting vegetables production in a contract farming arrangement. The Vice Mayor facilitated an information sharing meeting between farmers and ProxiFresh. Farmers have requested for a study tour to schemes already operated by ProxiFresh. PSDAG continues to engage Kamonyi district officials and ProxiFresh; however, the commitment of the private sector actor has not been firmly established and PSDAG continues to refine what its role will be in this arrangement.

ACTIVITY 2: INVESTIGATE GERANIUM ESSENTIAL OIL SYSTEMS ON IRRIGATED LAND WITH PRIVATE INVESTOR

Ikirezi Natural Products Ltd has approached PSDAG for assistance to negotiate with MINAGRI and Rusizi district, for a 15-years land lease in Bugarama marshlands, to invest in geranium production. Ikirezi's request has been forwarded to and discussed with RAB. However, the exact role of PSDAG on this matter, going forward, is to be decided.

ACTIVITY 3: COLLABORATE WITH BALTON ON FIRST STAGE DEVELOPMENT OF TRAINING CENTRE AND NAEB ON SNOW PEA PRODUCTION FOR EXPORT

Training Centre

PSDAG is received an investment proposal for establishing two training centers submitted by Balton. Balton will be requested to resubmit the concept note based on PSDAG feedback. Another private company, Farm and Estates Holdings, also approached PSDAG for support in negotiating for land subleases to establish the Gashora agribusiness training centre and a nucleus farm for vegetable production in Bugesera district. Both of these requests are under consideration to see whether they match PSDAG criteria for support.

Snow Pea Production for Export

ProxiFresh (a private company) requested PSDAG to support it in meeting global Good Agricultural Practice (GAP) certification requirements including the grading 3.3km feeder road from irrigated marshlands to the main trunk road in Kajeubwa marshlands, Gasabo district. Grading of this feeder road will facilitate access to the fields and ensure that crop produce is transported in trucks, not on foot or by motorbikes. The company has been requested to provide justification for project support, in terms of how the support would increase volume of quality produce (French beans, snow peas and sugar snaps) for export and the impact of the activity in terms of an increase in income of smallholder farmers. Unfortunately, ProxiFresh has withdrawn its request from PSDAG project citing delays in securing funds to fix the road.

ACTIVITY 4: SPECIALITY VALUE CHAIN INVESTIGATION AND INVESTOR RESEARCH

Partnership discussions with Kigali Farms on the promotion of mushroom powder as a supplement to chicken feed have been put on hold. The project is re-assessing this partnership in terms of its wider impact on the livestock and feed sectors..

PSDAG is still waiting feedback from MINAGRI/RAB regarding a request for irrigated scheme by Ikirezi Natural Products Ltd, for use to promote high value crops (Patchouli oil and Geranium oil).

ACTIVITY 5: IDENTIFY AND SUPPORT PRIVATE INVESTORS IN PASSION/PINEAPPLE FRUIT JUICE PRODUCTION AND PROCESSING

The PSDAG Horticulture Specialist reviewed a list/registry of companies and cooperatives in passion/pineapple production and processing. An internal concept note is being prepared to justify the need for, and nature of support to be provided to private investors.

ACTIVITY 6: INVESTIGATIONS INTO DIVERSIFICATION AND 2ND PRIORITY CROPS

Implementation of an MOU with East Africa Exchange (EAX) is underway. This MOU entail Non-Disclosure Agreement to share their list of cooperatives signed and joint training program. PSDAG visited one of EAX-operated warehouses in Rwinkwavu, Kayonza district where EAX is piloting a warehouse receipt financing program with cooperatives, banks and other depositors.

FAIM, a private sector agribusiness, submitted a concept paper requesting for a grant of US\$500,000, to leverage a US\$1.5M investment in the production and distribution of improved varieties of plants to farmers. Another request for support has been received from Fish House Ltd, a private fish production company. This company submitted a concept paper for a fish feed mill requesting a grant of US\$250,000 to leverage US\$370,000 investment in fish feed plant. The company is planning to outsource its raw materials including maize and soya beans locally and preferably from cooperatives that have been supported previously by PSDAG.

Both of these requests from FAIM and Fish House, for grants to leverage private sector investment, are being considered to determine whether there is a fit within the broader objectives of PSDAG.

ACTIVITY 7: ESTABLISH PARTNERSHIPS WITH FINANCIAL SERVICE PROVIDERS TO ENHANCE ACCESS TO FINANCE FOR VALUE CHAIN PLAYERS

PSDAG a credit needs assessment of selected 16 cooperatives, to establish their capacity to pay 50% contribution of the cost of tarpaulins and shellers. The assessment established that all 16 selected cooperatives didn't not require any additional credit financing from financial institutions.

There is progress on provision of technical assistance to support BRD on the development of an Agriculture lending strategy. A final agriculture lending strategy was shared with BRD. The project will continue to engage BRD to ensure implementation of components of this strategy.

In addition, PSDAG created relationship with Vision Finance Cooperation (VFC) with the aim of supporting VFC in the establishment of and development of Agriculture department. PSDAG is recruiting a consulting firm/ consultant to profile the agriculture portfolio of VFC and inform the development of the agriculture lending strategy.

Further, discussions were held with various financial institutions including Kenya Commercial Bank (KCB), Unguka Bank, *Banque Populaire du Rwanda* (BPR) and Oiko Credit exploring possibilities of supporting these financial institutions in development of appropriate financial products for project supported value chains. A draft partnership MoU has been shared with KCB for their comments.

ACTIVITY 8: OTHER INVESTMENT INITIATIVES

In partnership with MINAGRI, the project plans to implement a Youth Mechanization program. PSDAG is working with the DG mechanization to submit a final concept to MINAGRI senior management for approval.

2. PARTNERSHIPS AND LINKAGE WITH OTHER USAID PROJECTS

PSDAG project focused on identifying USAID-funded projects, with the aim of establishing partnerships and linkages to ensure cost-effectiveness in project implementation. To this end, PSDAG identified opportunities for collaboration with the Education Development Center (EDC) USAID-funded youth training project. For example, EDC could play an important role in capacity building of the youth in the proposed Youth Mechanization Program, which is being developed by MINAGRI.

Similarly, PSDAG continued to interact with USAID global project Africa Lead, with a view to utilize findings of irrigation scheme investment profiles. PSDAG's embedded investment advisor in MINAGRI, is updating investment profiles in the country, as part of her technical assistance to the ISU. There exists opportunities to leverage Africa Lead results and processes, to scale up profiling of irrigation schemes across the country.

Further, collaboration has been created between Grow Africa, MINAGRI and PSDAG with the aim of facilitating private sector investment in potato value chain. Grow Africa has identified UPL (a private company) interested to invest in cold storage and horticulture in irrigation schemes. Discussions are underway to identify specific roles and responsibilities of parties to this collaboration.

3. PLANNED ACTIVITIES IN NEXT QUARTER – Q3

3.1. OBJECTIVE 1 PROJECTED ACTIVITIES

- Recruitment of STTAs to undertake review of tax incentive regime structure, roles and responsibilities of public entities, investment roadmap in agriculture sector, and effective means of reducing costs and risks in investing in agriculture sector.
- Fill the position of embedded advisor at RDB.
- Conduct a stakeholders' dialogue meeting on the investment framework.
- Undertake a GAP analysis of PSTA III and support MINAGRI to conduct PSTA III investment framework awareness campaigns.

3.2. OBJECTIVE 2 PROJECTED ACTIVITIES

- Completion of the selection of core PSDAG value chains, Value Chain Analysis and VC strategy sheets.
- Training for staff on Value Chain Facilitation and workshop will be held early in May for all technical staff and relevant operational staff.
- Training of project staff, field managers and field agents on Farmbook.
- Roll out of Farmbook with 33 potato cooperatives in Musanze, Nyabibu, Rubavu and Burera districts.
- Competitive selection of cooperatives/private sector players for several project activities including potato storage techniques, potato seed production, post-harvest handling in rice, bubble drying of maize, bean sorting machine, demonstration of new varieties of tomato and onions, and passion/fruit production and processing.
- Finalize discussions with stakeholders (MINAGRI and USAID) and agree on the way forward on implementation of training centre proposal from Balton Rwanda.
- At the request of MINAGRI, conduct study on livestock competitiveness in Rwanda.

3.3. OTHER PROJECTED ACTIVITIES

3.3.1. ACCESS TO FINANCE AND INVESTMENT ACTIVITIES

- Identify additional support required by BRD in the implementation agriculture strategy, which was developed with technical assistance from PSDAG.

- Finalize discussions with stakeholders (including MINAGRI) on implementation framework for the youth mechanization program.
- Finalize discussions with financial institutions on need and nature of support required from PSDAG, to develop appropriate agricultural financial products.

3.3.2. M&E, KNOWLEDGE MANAGEMENT AND SOCIAL INCLUSION

- Design and prepare for the gender analysis which will be completed by the end of Year 1; training for staff on gender integration will be held at the end of Quarter 3 or beginning of Quarter 4 based on this analysis.
- Identify potential partners that are involved in social inclusion and discuss with them how they could play a role in PSDAG activities for the benefits of women, youth and PWD.

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